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SUBJECT: SEOUL - PRESS BULLETIN; November 5, 2009

TOP HEADLINES

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Top Headlines

Chosun Ilbo, Hankook Ilbo, Segye Ilbo,  
Seoul Shinmun, All TVs  
Alternative Plan for Sejong City to be Presented by January

JoongAng Ilbo  
Goals to Revise Sejong City Plan Suggested

Dong-a Ilbo  
Possibility of One-Year Delay in Implementing ROK-India Trade Deal  
if National Assembly Fails to Ratify It Next Week

Hankyoreh Shinmun  
President Lee Scraps Original Sejong City Plan to Relocate  
Government Offices to Chungcheong Province

DOMESTIC DEVELOPMENTS

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President Lee Myung-bak, during a Nov. 4 speech in Seoul, said that  
inter-Korean economic cooperation will be expanded if North Korea  
gives up its nuclear ambitions. (Chosun, JoongAng, Dong-a, Segye,  
Seoul)

According to a local civic group official, North Korea is asking ROK  
civic organizations to provide emergency food aid to the country.  
The North, meanwhile, has yet to respond to the ROKG's offer of  
10,000 tons of corn in aid. (Dong-a)

INTERNATIONAL NEWS

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According to a source in Washington, the U.S. and North Korea  
reached a 60-70 percent agreement on holding bilateral talks during  
recent contacts between Sung Kim, Special Envoy for the Six-Party  
Talks, and Ri Gun, the North's No. 2 nuclear negotiator. (JoongAng)

According to multiple diplomatic sources, representatives of the

U.S. think tank, the Council on Foreign Relations (CFR), will visit North Korea this month to explore possibilities for a breakthrough in U.S.-North Korea relations. (JoongAng)

#### MEDIA ANALYSIS

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-N. Korea

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Right-of-center JoonAng Ilbo carried an inside-page report quoting a source in Washington as saying on Nov. 3 that the U.S. and North Korea reached a 60-70 percent agreement on holding bilateral talks during recent contacts between Sung Kim, Special Envoy for the Six-Party Talks, and Ri Gun, the North's No. 2 nuclear negotiator.

In a separate report, JoongAng also quoted multiple diplomatic sources as saying yesterday that representatives of the U.S. think tank, the Council on Foreign Relations (CFR), will visit North Korea this month to explore possibilities for a breakthrough in U.S. - North Korea relations. The report went on to quote an ROKG source as commenting: "This visit, coming at a critical juncture in U.S. - North Korea ties, is expected to have a significant impact on the direction of U.S. - North Korea dialogue, including a visit to Pyongyang by Special Representative for North Korea Policy Stephen Bosworth."

Conservative Dong-a Ilbo wrote in the headline: "Reprocessing of Spent Fuel Rods vs. Delayed Decision on Bosworth's Trip to N. Korea;

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1N. Korea, U.S. Engage in War of Nerves." Moderate Hankook Ilbo editorialized: "The problem is that if this exhaustive tug-of-war (between the U.S. and North Korea) is prolonged, the hard-won momentum for dialogue to resume the Six-Party Talks may disappear. ... North Korea needs to consider the position of the Obama Administration which faces pressure from hardliners in the U.S. ... The ROKG should seek ways to facilitate a resumption of the Six-Party Talks through inter-Korean relations."

Most ROK media covered yesterday's remarks by President Lee Myung-bak, in which he urged North Korean leader Kim Jong-il to give up his nuclear ambitions, saying: "If Kim Jong-il drags out negotiations, President Barack Obama will leave office, the ROK and Chinese presidents will change. Then he has to start (the negotiations) all over again. We can't be in negotiations forever."

#### OPINIONS/EDITORIALS

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MOVES FOR U.S. - N. KOREA DIRECT TALKS CONFUSING  
(Hankook Ilbo, November 5, 2009, page 39)

The U.S. and North Korea are making confusing moves towards bilateral talks to restart the Six-Party Talks. North Korea's official Korean Central News Agency said on November 3 that North Korea successfully completed reprocessing 8,000 spent fuel rods in late August and made remarkable achievements in weaponizing the extracted plutonium. The North issued this statement apparently to put pressure on the U.S. as soon as Ri Gun, Director General of American Affairs at North Korea's Foreign Ministry wrapped up his tour of the U.S. to discuss the prospect of U.S.-North Korea bilateral talks. Just a day earlier, Pyongyang said that if the U.S. is not ready to sit down face to face, North Korea will go its own way.

This North Korean attitude contrasts with the U.S. State Department's positive assessment of U.S.-North Korea contact. A U.S. foreign affairs magazine also carried a positive report that North Korea agreed to hold two rounds of bilateral talks with the U.S. before rejoining the Six-Party Talks when Ri Gun and Sung Kim, Special Envoy for the Six-Party Talks met in New York. But it seems that they could not iron out differences on some key issues, drawing ire from North Korea.

However, this maneuver by North Korea will unlikely cast a gloom over ongoing U.S. efforts to hold bilateral talks with the North and resume the Six-Party Talks. (However,) North Korea's claim on the reprocessing of spent fuel rods and weaponization of extracted plutonium is likely to have limited repercussions because the North already made the same statement in a letter it sent to the UN Security Council in September. This is why the U.S. and the ROK are responding cautiously, while criticizing the North for violating UNSC Resolutions 1718 and 1874. It seems that North Korea's hard-line behavior is a strategic decision aimed at gaining the upper hand in negotiations.

The problem is that if this exhaustive tug-of-war (between the U.S. and North Korea) is prolonged, the hard-won momentum for dialogue to resume the Six-Party Talks may disappear. The U.S. wants to enter into bilateral talks after receiving firm assurances from the North that it will rejoin the Six-Party Talks and give up its nuclear program. However, if North Korea responds by playing the "nuclear card" such as by increasing uranium enrichment, it will make things worse. North Korea needs to consider the position of the Obama Administration which faces pressure from hardliners in the U.S. Even if the ROKG has little to do amid the tug-of-war between the U.S. and North Korea, it should not just sit on its hands. The ROKG should seek ways to facilitate a resumption of the Six-Party Talks through inter-Korean relations.

#### FEATURES

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WHITE HOUSE CHIEF OF STAFF CALLS FOR CAUTIOUS APPROACH TO KORUS FTA

(JoongAng Ilbo, November 5, 2009, page 14)

By Washington correspondent Kim Jeong-wook

The Korea-U.S. Free Trade Agreement (KORUS FTA) issue has been discussed for the first time at a White House Cabinet-level meeting since the inauguration of the Obama Administration. With senior advisors, secretaries and deputy secretaries participating in the meeting, which took place at the end of last month, the U.S. State of Department and the Office of the U.S. Trade Representative (USTR) argued that (the USG) should actively move towards ratification of the KORUS FTA. However, a diplomatic source in Washington said on November 4 (local time) that White House Chief of Staff Rahm Emanuel called for a cautious approach to the KORUS FTA, putting a brake on the progress of the trade pact.

The source said that, ahead of President Obama's visit to the ROK, the KORUS FTA was discussed as a main topic at the Cabinet-level meeting, adding that this was the first Cabinet-level meeting that has dealt with the issue since President Obama took office. The source quoted the State Department and the USTR as saying that the USG should take (positive) action towards ratification of the KORUS FTA. According to the source, however, Emanuel, who was absent from the meeting, conveyed a message through his aide that the USG should be cautious (in moving forward) with the KORUS FTA and, therefore, no conclusion was reached in the meeting. The ROK Embassy in the U.S. reported (on the outcome of the meeting) to the Blue House and the ROK Foreign Ministry.

The fact that the KORUS FTA was discussed for the first time at the Cabinet-level meeting carries great significance in two respects. First, this shows that the Obama Administration has begun to coordinate the issue (of ratifying the KORUS FTA) at all government levels while recognizing the importance of the trade deal. The KORUS FTA had been put on the back burner due to health care reform and other issues. However, it seems that the USG is attaching a new importance to this issue. The Cabinet-level meeting is the second highest ranking meetings among the four types of meetings inside the White House. It ranks right below the top-level meeting attended by the President and discusses only selected important items. Therefore, a diplomatic source said, "The ROK-U.S. FTA, which was as

good as dead, seems to be reviving."

The (decision to actively discuss the trade agreement) appears to have been affected by the upcoming ROK-U.S. summit on November 19, when President Lee Myung-bak is expected to raise the prompt approval of the KORUS FTA with President Obama. An official at the ROK Embassy in Washington said, "The Obama Administration or the Congress will likely lose the momentum to address the KORUS FTA starting next summer, when campaigns for the U.S. mid-term elections in November will be in full swing," adding, "The top priority is to place the KORUS FTA among Washington's priority issues late this year or early next year, when the (debate) about the healthcare reform bill is wrapped up."

It is also noteworthy that we have learned about the stumbling block inside the Obama Administration. Observers say that unless Emmanuel and the (members of) Congress who are passive about the KORUS FTA change their stances, the situation will not get better. Emmanuel reportedly supports a multilateral cooperation regime rather than a bilateral agreement, such as the ROK-U.S. FTA. Emanuel, who was elected to Congress representing Chicago in 2002 and forged a relationship with then-Senator Obama of the same state, is a hard-line politician befitting his nickname "Rambo." There is a famous anecdote about him. Early this year, when a Congressman made a phone call to him, he said, "I am too busy to talk," and passed the call to President Obama, who was with him. Emmanuel is considered to be the most powerful White House Chief of Staff in history.

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1N. KOREA, U.S. ENGAGE IN WAR OF NERVES  
(Dong-a Ilbo, November 5, 2009, Page 5)

By Reporter Kim Young-sik

Reprocessing of Spent Fuel Rods vs. Delayed Decision on Bosworth's Trip to N. Korea

The U.S. and North Korea are engaging in a tense war of nerves over U.S. Special Representative for North Korea Policy Stephen Bosworth's visit to Pyongyang. Despite the (seemingly improved) atmosphere for dialogue between the North and the U.S., the North is bragging about progress in its nuclear development, and the U.S. is delaying a decision on Bosworth's visit to the North.

Most observers say that the conditions now seem to be ripe for Bosworth's visit. An ROKG official said, "So far, the U.S. has taken the position that U.S.-North Korea contact is only possible when Bosworth is able to meet with North Korea's First Vice Foreign Minister Kang Sok-ju or a higher-level official." On this matter, Foreign Policy (magazine) reported on November 3, "The second condition put forth by the U.S. was that Ambassador Stephen Bosworth, who has been invited repeatedly to Pyongyang, would be able to meet with Kang Sok-ju, North Korea's First Vice Foreign Minister. According to the official, the North Koreans also had no problem with that." This means that a primary hurdle has been cleared.

The problem is, however, that the USG is concerned about the possibility that demonstrable progress will not be made during Bosworth's visit. A diplomatic source explained, "Some officials in the Obama Administration are concerned that if a contact with the North does not produce results, some conservatives may use it to launch a counterattack." Due to the possibility that Bosworth's meeting with North Korea's First Vice Foreign Minister Kang may not lead to Pyongyang returning to the Six-Party Talks, the U.S. is not able to make a decision on Bosworth's visit.

For the North, since North Korean leader Kim Jong-il already said that he would consider rejoining the multilateral talks, depending on the outcome of the U.S.-North Korea bilateral talks, working-level negotiators find it difficult to change their position (regarding the visit.) The November 2 statement by a North Korean Foreign Ministry spokesman - "If the U.S. is not ready to sit down

face to face with us, we will go our own way" - also seems to be designed to urge the U.S. to change its stance.

At present, it is not easy to foresee how the war of nerves between the two nations will pan out. A high-ranking ROKG official noted on November 4, "At the moment, the North is focused on a meeting and dialogue with the U.S. while the U.S. is expecting to get some results (the North's return to the Six-Party Talks) from a meeting with the North." In other words, there is no common ground yet.

Meanwhile, regarding Pyongyang's claim that it has reprocessed 8,000 spent fuel rods, State Department Spokesman Ian Kelly urged the North to refrain from further provocations, saying, "I think everybody should be careful and ratchet down the rhetoric and not take any actions that would contribute to tension in the region."

STEPHENS